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C O N F I D E N T I A L MOSCOW 003308

SIPDIS

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TAGS: PGOV PREL ECON MCAP RS

SUBJECT: NERPA DISASTER WILL CHANGE LITTLE

Classified By: Acting Political Minister Counselor David Kostelancik. Reasons 1.4 (b) and (d).

11. (C) Summary: On the evening of November 8, 20 people died and 21 were injured on the Russian nuclear submarine Nerpa when the fire extinguishing system activated, releasing Freon gas. The submarine, which was undergoing tests in the Sea of Japan before being leased to India, was not damaged, and returned to its base at Bolshoy Kamen near Vladivostok. President Medvedev ordered an investigation of the accident. The initial conclusion is that accident resulted from human error, and one sailor has reportedly confessed to accidentally causing the accident. The experts expect the accident will not affect ongoing reforms at the Ministry of Defense (MOD), although arms sales may be affected. The experts also argue that the loss of 17 civilian shipyard workers is a big blow to Russia's military-industrial complex. End Summary.

Investigation Is Ongoing

12. (U) Late in the evening of November 8 the accidental activation of the fire extinguishing system on the nuclear submarine Nerpa killed three submariners and 17 shipyard workers. Twenty-one people were injured. According to the MOD, the newly-completed submarine, which was undergoing tests in the Sea of Japan prior to being leased to India, returned to its base at Bolshoy Kamen near Vladivostok under its own power. President Medvedev ordered a complete investigation of the incident. This was the worst naval accident since the Kursk sunk in the Barents Sea in 2000.

- 13. (U) According to the Russian Navy Spokesperson Captain Igor Dygalo, the preliminary official conclusion is that the deaths were caused by suffocation after an unauthorized operation of the fire extinguishing system released Freon gas into the submarine. Vladimir Markin, a spokesman for the Investigative Committee, told Interfax on November 13 that a criminal case had been opened against a sailor who confessed to unintentionally causing the accident. The Public Chamber, however, is concerned over the fact that the Investigative Committee decided who the culprit was so quickly, without thoroughly reviewing all the evidence.
- 14. (U) Khabarovsk Kray Governor Viktor Ishayev added that those in the stricken area of the submarine who donned portable breathing apparati survived, while those who did not died. One goal of the investigation is to find out why the victims did not use the apparati. One theory is that the victims were asleep at the time the gas was released.

Little At MOD Will Change

¶5. (C) Experts such as Aleksandr Belkin of the Council On Foreign and Defense Policy agree that the Nerpa tragedy will do little to affect the pace of military reform, and most likely there will be no changes in leadership. The planned naval exercises with Venezuela are likely to go ahead as scheduled. Unlike the tragedy involving the Kursk, in which the submarine sank and all 118 crewmembers on board died, the Nerpa was not damaged and only 20 people on board perished. In addition, the Nerpa accident occurred while it was undergoing tests; it had not yet been officially commissioned into the Russian navy.

Weapons Sales May Be Affected

16. (C) Experts asserted that Russian military sales to India (which total about USD 16 billion to date), may decline as a result of this latest accident. The experts argue that India was already upset with the GOR because of delays in delivering a promised aircraft carrier, and may begin purchasing more weapons from Israel and the United States (India's second and third largest suppliers, respectively). Director of the Center for Strategic Analysis and Technologies Ruslan Pukhov added that India has become much wealthier in recent years, and will no longer purchase arms from Russia simply because they are cheaper than U.S. weapons. "With economic growth at about 8 percent per year, India has moved up to the higher price segment," he posited.

Loss of Civilians Is Big Blow

17. (C) Experts also argue that the loss of the 17 civilian shipyard workers is a big blow to Russia's military-industrial complex. There are few workers left who possess the skills needed to construct warships, and many of them were trained during the Soviet era. The 17 who perished were among the most skilled and experienced shipyard workers. Due to budget constraints, few new submarines have been built since the fall of the Soviet Union. (Construction of the Nerpa began in 1991.) Many shipyard workers, especially younger ones, have therefore had little opportunity to practice their craft. The experts argued that, as a result, Russia may experience more delays in its efforts to construct modern ships for its navy.